

## Message Text

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44

ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 CAB-05 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 PM-03 H-02 L-03

NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 IO-10 /100 W

----- 087116

R 280940Z MAY 75

FM AMEMBASSY NICOSIA

TO SECSTATE WASHDC 1734

INFO AMEMBASSY BEIRUT

AMEMBASSY LONDON

UNCLAS NICOSIA 1743

BEIRUT FOR RCAA

E.O. 11652: NA

TAGS: EAIR CY

SUBJ: CIVAIR COMMISSION RATE DISPUTE - PAN AM

REF: STATE 120937

1. GOC CIVIL AVIATION DIRECTOR HAS BEEN INFORMED RE COMMISSION RATE DISPUTE PER INSTRUCTIONS REFTEL.

2. ON MAY 15, 1975 GOC CIVIL AVIATION DIRECTOR SENT FOLLOWING OFFICIAL NOTICE TO LOCAL AIRLINE REPRESENTATIVES INCLUDING LOCAL PAN AM GSA:

"I AM DIRECTED TO REFER TO THE EMERGENCY I.A.T.A. COMPOSITE CONFERENCE WHICH TOOK PLACE IN NICE BETWEEN THE 22ND AND 26TH APRIL 1975, ON THE ABOVE SUBJECT, AND, INTER ALIA, TO THE AGREEMENT REACHED AMONG THE I.A.T.A. MEMBERS, WHEREBY, WITH EFFECT FROM THE LIST OF MAY 1975, THE RATE OF COMMISSION TO SALES AGENTS FOR SALE OF INTERNATIONAL PASSENGER TRANSPORTATION FROM CYPRUS TO THIRD COUNTRIES SHALL BE 7.5 PCT. OF THE APPLICABLE FARES.

I AM TO ADD THAT THE CYPRUS GOVERNMENT HAS APPROVED OF THE RES-  
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PECTIVE IATA RESOLUTION AND, IN THIS REGARD, YOU ARE HEREBY DIRECT-

ED TO COMPLY WITH THIS RESOLUTION AND TO APPLY THE ABOVE APPROVED RATE OF COMMISSION, AS FROM THE ABOVE-QUOTED DATE."

3. LOCAL PAN AM REP PASSED GOC LETTER ABOVE TO ITS REGIONAL OFFICE IN BEIRUT AND RECEIVED ON MAY 20 FOLLOWING DIRECTIONS FROM BEIRUT - (TEXTS REPRODUCED HERE EXACTLY AS PASSED TO EMBASSY): CGZFLWG REPLY SHOULD BE SENT TO DCA CYPRUS PROVIDING SAME HAS BEEN CLEARED WITH YOUR LOCAL LEGAL ADVISOR AND U.S. EMBASSY CYPRUS. IF U.S. EMBASSY CYPRUS HAS NO BACKGROUND INFO CMA RQST THEY OBTAIN DIRECTIVE FROM U.S. STATE DEPT WASH. YOU REPLY SHOULD READ AS FLWS QUOTE  
"DIRECTOR OF CIVIL AVIATION DEPARTMENT CYPRUS

PAN AMERICAN WOULD RESPECTFULLY LIKE TO INFORM THE DIRECTOR OF CIVIL AVIATION DEPARTMENT THAT IATA RESOLUTION 002B CANNOT BE DECLARED ADOPTED AS CONFIRMED BY IATA OFFICIAL TELEX 292235 TO ALL IATA AIRLINES WHICH WE QUOTE BELOW FOR INFORMATION MEMBERS ARE ADVISED THAT RESOLUTION 002B (AGENCY PROGRAM) DEVELOPED BY THE SPECIAL COMPOSITE FZRAFFIC CONFERENCE HELD IN NICE 22/26 APRIL 1975 CANNOT BE DECLARED ADOPTED AS THE SOLE OPPOSING MEMBER HAS MAINTAINED REPEAT MAINTAINED THEIR NEGATIVE VOTE. AS A CONSEQUENCE AND AS ADVISED IN MY TFN08 RESOLUTION 810A USA SECTION I AND ATTACHMENT A CMA RESOLUTION 820A USA PARAS 5 A AND SCHEDULE A CMA RESOLUTION 810A EXCEPT USA SECTION I CMA RESOLUTION 820A EXCEPT USA PARA 19 AND SCHEDULE A AND RESOLUTION 810E SECTIONS B AND I IN TCI CMA TC1 CMA TC3 ARE RESCINDED AS FROM WEDNESDAY 30 APRIL 1975.

FURTHER THE U.S. DEPARTMENT OF STATE HAS DECLARED COMMISSIONS ARE NOT COVERED BY BILATERAL AIR TREATIES AND THERE IS NO IATA AGREEMENT TO APPROVE.

THEREFORE CMA UNTIL SUCH TIME AS THE INDUSTRY CAN COME TO A UNANIMOUSLY AGREED UPON STRUCTURE WHICH ADEQUATELY MEETS THE BEST INTBIESTS ODITHE TRAVEL AGENTS CMA PAN AMERICAN WOULD LIKE TO MAINTAIN THEIR TRAVEL AGENTS INCENTIVE COMMISSION PLAN."

4. PAN AM REP VISITED EMBASSY MAY 27 FOR GUIDANCE. EMBOFF HANDLING CIVIL AVIATION MATTERS REFRAINED FROM PROVIDING DIRECT GUIDANCE BUT SUGGESTED REPEAT SUGGESTED THAT PAN AM NOT CONTRA-  
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VE NE CIVIL AVIATION LETTER OF MAY 15 UNTIL DIRECTOR CIVIL AVIATION RESCINDS OR AMENDS GOC POSITION ON COMMISSION RATES. EMBASSY SUGGESTED PAN AM NOT PASS AT THIS TIME BEIRUT CABLE TO DIRECTOR CIVIL AVIATION, UNTIL AT LEAST STATE DEPARTMENT CAN PROVIDE FURTHER GUIDANCE. EMBASSY AWARE FROM STORY IN FINANCIAL TIMES OF 5/24/75 U.K. HIGH COURT RULING IN FAVOR OF PAN AM ON MAY 23 ON MATTER OF INCENTIVE BONUS COMMISSION.

5. ACTION REQUESTED: WOULD APPRECIATE DEPARTMENT GUIDANCE ON  
ANSWER EMBASSY SHOULD GIVE TO PAN AM GSA REGARDING A) TRANS-  
MISSION OF PARA. 3 ABOVE TO DIRECTOR CIVIL AVIATION, AND  
B) WHETHER TO PAY BONUS COMMISSION OR NOT.  
CRAWFORD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, INCENTIVE WAGE SYSTEMS, NEGOTIATIONS, AIR FARES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975NICOSI01743  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750186-0259  
**From:** NICOSIA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750513/aaaaalrz.tel  
**Line Count:** 120  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 120937  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <30 JUL 2003 by SilvaL0>; APPROVED <27 JAN 2004 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
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EO Systematic Review  
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**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR COMMISSION RATE DISPUTE - PAN AM  
**TAGS:** EAIR, CY  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006